2006. AICIL is also piloting another weather related insurance product for mango and coffee.

Evasion of stamp duty

3592. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware about the large scale evasion of stamp duty for the registration of the properties and payment of property tax because of high percentage;

(b) if so, whether Government have evolved any mechanism to check the evasion of above duty/taxes as large number of buyers and sellers prefer to pay black money or unaccounted money to seal the deal rather than pay the high taxes; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Under the Constitution of India, Stamp Duties (but not including rates of stamp duty) fall under Entry 44 of the Concurrent List. Regarding rates of stamp duty, the Central Government has powers to fix the rates in respect of 10 instruments listed in Entry 91 of the Union List, whereas States have the powers in respect of the remaining instruments by virtue of Entry 63 of the State List. The fixing of rates of stamp duty on properties is in the domain of the States. The revenue from stamp duties leviable within any State is assigned to that State by virtue of provisions of Article 268 of the Constitution. Thus, the stamp duty is collected and appropriated entirely by the States concerned. The administration of stamp duty laws (Central as well as the State) is entirely with the States. Therefore, it is for the States to take necessary measures to prevent tax evasion in respect of stamp duties. In fact, most of the States have taken legal and administrative measures to deal with the issue of under-valuation of properties for evading payment of stamp duty. During recent years, there is also a trend of States lowering the rates of stamp duty to more moderate levels. Since this a matter concerning the States, it is for the States to take necessary steps in this regard.